

Focus on AACE International

Thomas Ross Hallman, CCC, US Department of Energy

US Energy Department renews Joint Agreement with AACE

In a signing ceremony in August at Washington DC, the Association for the Advancement of Cost Engineering International (AACE International) signed an agreement with the US Department of Energy (DOE) to further advance the DOE's project management reform initiatives.

Signatories to the agreement included: Dr. Bruce Carnes, DOE's Chief Financial Officer; Jim Rispoli, Director, Office of Engineering and Construction Management; Barry McMillan, AACE Executive Director; and Dr. Jim Rowings, AACE International President. Also participating in the signing were John Kirch and Ross Hallman of the DOE's National Energy Technology Laboratory, which facilitated the agreement, and Ozzie Belcher AACE International's current President-Elect.

DOE is committed to a high quality of information supporting its project management decisions, its budget submissions, and contract actions. The tenants of this agreement include the following.

Advancing the "state-of-the-art" of total cost management through increased communication and dialogue at the association and local section level including involvement in committees and discussion groups;

Applying established cost engineering and cost management principles, proven methodologies, and the latest technology in support of management processes;

Developing new cost engineering and cost management methodologies and technology in pursuit of optimum resource utilization;

Enhancing the exchange of information, methodologies and technologies to increase cost management and control;

Encouraging the use of cost management standards and practices and their continual improvement and advancement;

Facilitating communication and understanding of the issues involved in and obstacles to the effective planning and control of costs, resources and risks;

Promoting continued advancement and education in the skills and practice of total cost management to ensure the use of the most advanced and up-to-date methods and technology; and,

Encouraging accredited certification of cost management professionals to increase the public's confidence in the cost management of government programs.

This agreement is a re-affirmation of the benefits DOE has received as a result of association with AACE International. From an historical perspective, this is an extension of a previous agreement that was signed in July of 1997, at AACE International's 41st Annual Meeting. For more information on the Joint Agreement between DOE and AACE International, or other DOE Cost Engineering Group initiatives, please contact T. Ross Hallman, at DOE's National Energy Technology Laboratory, hallman@netl.doe.gov ♦



Submitted Photo

Participating in the August signing of a cooperative agreement between the US Department of Energy and AACE International were, shown seated above from the left are Jim Rispoli, Bruce Carnes, Ozzie Belcher, and Barry McMillan. Standing from the left are John Kirch and Ross Hallman.



JOINT AGREEMENT

Between

The United States Department of Energy

And

AACE International

Goal:

In 1992, the American Association of Cost Engineers became known as AACE International. AACE International and the United States Department of Energy (DOE) (jointly “parties”) are dedicated to furthering the concepts of Cost Engineering and Total Cost Management. The goal is to provide a synergistic cooperative agreement between DOE and AACE International. The intent is to improve the planning and control of resources, costs, and risks throughout the life-cycle of DOE programs and projects through increased understanding and use of Total Cost Management. Total Cost Management is the application of scientific principles and techniques to business and program planning, cost and schedule estimating, economic and financial analysis, project management, performance measurement, and change control.

Background:

AACE International recognizes the diversity of its membership and the many professionals who practice Total Cost Management and Cost Engineering. Today, this nonprofit association represents professionals throughout the world in the fields of Cost Engineering, Cost Management, Planning, Value Engineering, and Cost and Schedule Estimating. Membership is currently 5,000, with representation in 78 countries. Participation in regional activities is achieved through 72 local sections that meet monthly to exchange ideas and conduct technical events. All DOE sites are within commuting distance of AACE International local sections. AACE International is industry independent and provides a professional forum for sharing ideas and technology by all who wish to advance their proficiency in the field.

DOE manages a broad range of programs and projects. DOE's Office of Engineering and Construction Management (OECM), within the Office of Management, Budget, and Evaluation (OMBE), is responsible for policies and procedures regarding Project Management and Cost Engineering. OECM has taken the initiative to form alliances with industry standard organizations to advance the use of best Project Management concepts and practices. Since Cost Engineering is inherent to the work of OECM, this Agreement will continue to enhance the use of industry standard practices in OECM and throughout DOE's programs and projects.

Objectives: To achieve the goal of this agreement AACE International and DOE will work together to:

- Advance the “state-of-the-art” of Total Cost Management through increased communication and dialogue at the national and local section level including involvement in committees and discussion groups;
- Apply established cost engineering and cost management principles, proven methodologies, and the latest technology in support of management processes;

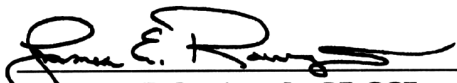


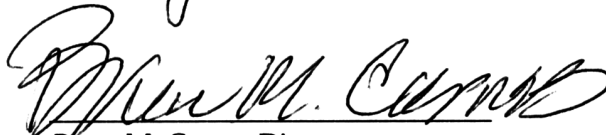
- Develop new cost engineering and cost management methodologies and technology in pursuit of optimum resource utilization;
- Enhance the exchange of information, methodologies and technologies to increase cost management and control;
- Encourage the utilization of cost management standards and practices and their continual improvement and advancement;
- Facilitate communication and understanding of the issues involved in and obstacles to the effective planning and control of costs, resources and risks;
- Promote continued advancement and education in the skills and practice of Total Cost Management to ensure the use of the most advanced and up-to-date methods and technology; and,
- Encourage accredited certification of cost management professionals to increase the public's confidence in the cost management of government programs.


This is not to be used to obligate or commit funds or as the basis for the transfer of funds. The details of any level of support that may be furnished to AACE International by DOE with respect to funding will be developed in specific agreements. Collaboration under this Joint Agreement will be in accordance with the applicable statutes and regulations governing the respective parties.

This Joint Agreement shall become effective when it has been signed by all parties. It may be altered upon written agreement by the parties and may be terminated by either party with 60 days written notice. This agreement shall be effective for 5 years, unless reissued before then by written agreement of both parties. This is an extension of a previous agreement signed July 13, 1997 at AACE International's 41st Annual Meeting.

Agreed to this 2nd day of August, 2002.


Dr. James E. Rowings, Jr., PE CCE,
President, AACE International


Bruce M. Carnes, Director
Office of Management, Budget, and Evaluation


Barry G. McMillan, Executive Director
AACE International


James A. Rispoli, Director
Office of Engineering & Construction Management